GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4332
ANSWERED ON:19.04.2002
INTEREST ON ADVANCE TAX .SHRI G. PUTTA SWAMY GOWDA
RAGHUNATH JHA;RUDRAGOUDA PATIL

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that assessees do not make a hue and cry for the refund of advance taxes paid by them because of high rate of interest paid by the income-tax department as compared to lower rate of interest available in the market;

(b) if so, the amount of money likely to be refunded by the income-tax department to the assessees and since when and how much interest has accrued thereon in comparison to what they have earned in the market and through banks etc; and

(c) whether there is any proposal to investigate the matter of delay in the refund of income-tax and to bring to book the people responsible for the delay in refunding the amount?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)No Sir, the assessees do make a hue and cry for any delay in issue of refunds. For delayed refunds, simple interest is being paid at the rate of three-fourth per cent for every month or part of the month comprised in the period from the first day of April of the assessment year to the date on which refund is granted. The rate of interest paid by the Income-tax Department is comparable to the rate of interest available in the market.

(b)Not applicable in view of (a) above.

(c)Not applicable in view of (a) above.